



State of Washington  
**PUBLIC DISCLOSURE COMMISSION**

711 Capitol Way Rm. 206, PO Box 40908 • Olympia, Washington 98504-0908 • (360) 753-1111 • FAX (360) 753-1112  
Toll Free 1-877-601-2828 • E-mail: [pdcc@pdcc.wa.gov](mailto:pdcc@pdcc.wa.gov) • Website: [www.pdca.wa.gov](http://www.pdca.wa.gov)

9:30 a.m.  
November 30, 2005

**MINUTES – SPECIAL MEETING**

Evergreen Plaza Bldg. Room 206  
711 Capitol Way South  
Olympia, Washington

**COMMISSION MEMBERS PRESENT**

Earl Tilly, Chair  
Jane Noland, Vice Chair  
Bill Brumsickle, Secretary  
Ken Schellberg, Member

Via telephone (for part of the morning session):  
Michael Connelly, Member

**STAFF PRESENT**

Vicki Rippie, Executive Director  
Doug Ellis, Assistant Director  
Michael Smith, Chief Technology Officer  
Nancy Krier, Senior Counsel  
Linda Dalton, Sr. Asst. Attorney General  
Bruce Marvin, Asst. Attorney General  
Chip Beatty, Secretary

The special meeting of the Public Disclosure Commission was called to order by Commission Chair Earl Tilly at 9:30 a.m. in the Evergreen Plaza Building, Room 206, Olympia, Washington.

**Commissioner Comments**

Vicki Rippie congratulated Commissioner Noland on her reappointment to a five year-term on the Commission, effective January 1, 2006.

Commissioner Noland said she is looking forward to serving and enjoys working with her fellow commission members and the staff.

Commissioners Schellberg and Brumsickle extended their congratulations and gratitude to Commissioner Noland.

Commissioner Noland commented that she is concerned about the Commissioners receiving stipulations in major cases the day of the hearing. She said that when these are received with short notice there is insufficient time to think about the stipulation and decide whether the Commission should accept it or not. She suggested that the Commission discuss changing the rule about stipulations so that at least a week's notice is given.

Commissioner Tilly suggested that this matter be put on the agenda for an upcoming meeting.

#### Citizen Comments/Concerns

No citizen comments or concerns were expressed.

#### Minutes

##### **Motion 06-053**

Moved by Commissioner Brumsickle, seconded by Commissioner Schellberg:

**The Commission adopts the minutes of October 27, 2005, as written.**

The motion passed unanimously.

#### Legislative Matters

##### Campaign Finance Disclosure Model Law

Doug Ellis gave a brief presentation of the Campaign Finance Disclosure Model Law and how it compares to Washington's public disclosure law.

The Commission asked PDC staff to share the comparison with the Washington State Senate Government Operations & Elections Committee and the House of Representatives State Government Operations & Accountability Committee.

Commissioner Michael Connelly joined the meeting via telephone.

##### Agency Request Legislation and other possible PDC related legislation

Vicki Rippie informed the Commission that the agency is tracking the Senate confirmation of Commissioners Connelly, Brumsickle and Schellberg. As noted earlier, Commissioner Noland has been reappointed to a full term and her confirmation hearing will occur this session. Ms. Rippie said she is hopeful that all four confirmations will occur before the session adjourns.

Ms. Rippie reported that the Governor's office has approved for introduction both the Penalty Inflationary Adjustment Bill as well as the Citizen Action Bill. She recommended holding the latter to determine if there is going to be sufficient support for this bill in the short session.

**Motion 06-054**

Moved by Commissioner Noland, seconded by Commissioner Brumsickle:

**The Commission authorizes staff to find sponsors for the Penalty Inflationary Adjustment Bill.**

The motion passed unanimously.

Ms. Rippie requested direction from the Commission on its position on several possible PDC-related legislative matters. The Commission agreed that:

- If the Legislature moves the primary election to August or earlier, it may be necessary to amend the current freeze period on soliciting or accepting contributions by removing the 30-day period after the regular session, and
- It supports permitting special purpose districts, under certain conditions, to hold an open meeting consistent with the Commission's long standing interpretation of RCW 42.17.130(1) to express a collective decision or vote on a motion supporting or opposing a ballot measure that would impact district operations.

The Commission declined to take a preliminary position on other possible PDC related legislation.

Rule Making

Doug Ellis summarized draft amendments to WAC 390-37-136.

Commissioner Connelly ended his telephone participation.

**Motion 06-055**

Moved by Commissioner Schellberg, seconded by Commissioner Brumsickle:

**The Commission approves language for WAC 390-37-136, Production of documents and use at hearing (adjudicative proceeding), as proposed by staff.**

The motion passed unanimously.

Vicki Rippie reviewed preliminary staff efforts to implement ESSB 5034, Electioneering Communications. Ms. Rippie also discussed possible revisions to the current C-6 form and terms within the bill that require further definition through rule.

2005-07 Strategic Plan Progress Report

Vicki Rippie summarized staff implementation of the 2005-07 Strategic Plan which includes collecting past due penalties, tracking the duration of investigations and the progress of the Online Reporting of Campaign Activity (ORCA) project. She informed the Commission that at the Chair's request, she will be sharing the progress report with the offices of the Governor and Secretary of State, as well as the League of Women Voters, the Legislature and several other interested parties.

Government Management, Accountability and Performance Presentation

Doug Ellis gave an overview of the Government Management Accountability and Performance (GMAP) program. Bruce Wendler from the PDC Information Technology division demonstrated how the data compiled is used to enhance performance and forecast staffing priorities in the Data Entry section.

Executive Session

The Commission went into executive session at 11:40 a.m. to discuss pending and potential litigation with legal counsel.

Public Session/Recess

The Commission returned to public session at 12:15 p.m. and recessed for lunch.

Reconvene

The Commission returned from recess at 1:34 p.m.

Enforcement

Review

*John Billen, Case #06-018*

Kurt Young reported that a brief enforcement hearing was held on October 18, 2005, in which Mr. Billen was found in violation of RCW 42.17.040 on two occasions

(candidate for two different offices in 2005) for failing to timely file a Candidate Registration form and RCW 42.17.240 for failing to timely file a Statement of Financial Affairs. He was assessed a \$450 civil penalty. All three reports were filed on November 18, 2005.

Mr. Billen provided a letter stating that he had mailed the completed forms on August 10, 2005 and had not received a hearing notice.

**Motion 06-056**

Moved by Commissioner Schellberg, seconded by Commissioner Noland:

**The Commission review PDC Case #06-018, John Billen.**

The motion passed unanimously.

**Motion 06-057**

Moved by Commissioner Schellberg, seconded by Commissioner Noland:

**In PDC Case #06-018, John Billen, the Commission finds two violations of RCW 42.17.040 and a violation of RCW 42.17.240 and assesses a penalty of \$450 with \$150 suspended if there are no further violations for two years from the date of the order.**

The motion passed unanimously.

**Reconsiderations**

*Julian Matthews, Case #06-056*

Kurt Young reported that a brief enforcement hearing was held on September 14, 2005, in which Mr. Matthews was found in violation of RCW 42.17.040 for failing to timely file a Candidate Registration form and RCW 42.17.240 for failing to timely file a Statement of Financial Affairs. He was assessed a \$300 civil penalty. Both reports were filed on September 24, 2005.

Mr. Matthews provided a letter and participated by phone. He explained that he initially was unaware of the filing requirements, had misplaced the warning letter and the hearing notice, and due to his busy work and personal schedule he had neglected to timely file.

**Motion 06-058**

Moved by Commissioner Noland, seconded by Commissioner Schellberg:

**The Commission reconsiders PDC Case #06-056, Julian Matthews.**

Voting For: Commissioners Noland, Brumsickle and Schellberg.

Voting Against: Commissioner Tilly

The motion passed.

**Motion 06-059**

Moved by Commissioner Noland, seconded by Commissioner Brumsickle:

**In PDC Case #06-056, Julian Matthews, the Commission finds violations of RCW 42.17.040 and RCW 42.17.240 and assesses a penalty of \$300 with \$150 suspended on the condition that there are no further violations for a period of four years from the date of the order.**

Voting For: Commissioners Noland, Brumsickle and Schellberg.

Voting Against: Commissioner Tilly

The motion passed.

*Daniel Morris, Case #06-060*

Kurt Young stated that a brief enforcement hearing was held on September 14, 2005, in which Mr. Morris was found in violation of RCW 42.17.040 for failing to timely file a Candidate Registration form and RCW 42.17.240 for failing to timely file a Statement of Financial Affairs. He was assessed a \$200 civil penalty. Both reports were filed on September 10, 2005.

Mr. Morris provided a letter and participated by phone. He explained that he was not informed of the filing requirement when he registered and had not received the warning letter or the hearing notice.

**Motion 06-060**

Moved by Commissioner Noland, seconded by Commissioner Schellberg:

**The Commission reconsiders PDC Case #06-060, Daniel Morris.**

Voting For: Commissioners Noland and Schellberg.

Voting Against: Commissioners Tilly and Brumsickle.

The motion failed.

*Raymond Pendell, Case #06-062*

Kurt Young reported that a brief enforcement hearing was held on September 14, 2005, in which Mr. Pendell was found in violation of RCW 42.17.040 for failing to timely file a Candidate Registration form and RCW 42.17.240 for failing to timely file a Statement of Financial Affairs. He was assessed a \$200 civil penalty. Both reports were filed on September 14, 2005.

Mr. Pendell provided a letter and participated by phone with his attorney Dusty Deisner. He explained that he was informed by his local elections office that he was not required to file the Candidate Registration form. Once he received the hearing notice the forms were completed and submitted.

**Motion 06-061**

Moved by Commissioner Noland, seconded by Commissioner Schellberg:

**The Commission reconsiders PDC Case #06-062, Raymond Pendell.**

The motion passed unanimously.

**Motion 06-062**

Moved by Commissioner Brumsickle, seconded by Commissioner Noland:

**In PDC Case #06-062, Raymond Pendell, the Commission finds a violation of RCW 42.17.240 and assesses a penalty of \$100.**

The motion passed unanimously.

*John Dyer, Case #06-161*

Kurt Young reported that a brief enforcement hearing was held on September 14, 2005, in which Mr. Dyer was found in violation of RCW 42.17.240 for failing to timely file a Statement of Financial Affairs. He was assessed a \$150 civil penalty.

Mr. Dyer provided a letter explaining that he had moved from the jurisdiction was not running for the office and had attempted to withdraw from the ballot but that the deadline had passed to have his name removed.

**Motion 06-063**

Moved by Commissioner Noland, seconded by Commissioner Brumsickle:

**The Commission vacates the order in PDC Case #06-161, John Dyer.**

The motion passed unanimously.

*Mike Quigley, Case #06-210*

Kurt Young reported that a brief enforcement hearing was held on September 14, 2005, in which Mr. Quigley was found in violation of RCW 42.17.240 for failing to timely file a Statement of Financial Affairs. He was assessed a \$150 civil penalty. The report was filed on September 15, 2005.

Mr. Quigley's spouse provided a letter which stated that he had completed the form and mailed it in August. He disregarded the warning notice but resubmitted the form when he received the hearing notice.

**Motion 06-064**

Moved by Commissioner Schellberg, seconded by Commissioner Noland:

**The Commission reconsiders PDC Case #06-210, Mike Quigley.**

The motion passed unanimously.

**Motion 06-065**

Moved by Commissioner Schellberg, seconded by Commissioner Noland:

**In PDC Case #06-210, Mike Quigley, the Commission finds a violation of RCW 42.17.240 and assesses a penalty of \$150 with \$50 suspended if there are no further violations for two years.**

The motion passed unanimously.



*Theodore Thomas, Case #06-135*

Kurt Young reported that a brief enforcement hearing was held on September 14, 2005, in which Mr. Thomas was found in violation of RCW 42.17.040 for failing to timely file a Candidate Registration form. He was assessed a \$100 civil penalty. The report was filed on September 9, 2005.

Mr. Thomas provided a letter stating that he had not received the warning notice until September 15, 2005 due to a postal error. He included the envelope which substantiated his claim. Upon receiving the hearing notice, he filed his Candidate Registration form.

**Motion 06-066**

Moved by Commissioner Noland, seconded by Commissioner Brumsickle:

**The Commission vacates the order in PDC Case #06-135, Theodore Thomas.**

The motion passed unanimously.

Hearings:

*Barbara Sperline, Case #06-223*

Phil Stutzman summarized the case against Barbara Sperline for an alleged violation of RCW 42.17.240 by failing to timely file the Statement of Financial Affairs by April 15, 2005. He noted that Ms. Sperline had two previous violations. The F1 has been filed. Mr. Stutzman reported that she also has outstanding penalties and fees in the amount of \$690.57.

**Motion 06-067**

Moved by Commissioner Noland, seconded by Commissioner Brumsickle:

**In PDC Case #06-223, Barbara Sperline, the Commission finds a violation of RCW 42.17.240 for failing to timely file a Statement of Financial Affairs.**

The motion passed unanimously.

**Motion 06-068**

Moved by Commissioner Noland, seconded by Commissioner Brumsickle:

**In PDC Case #06-223, Barbara Sperline, the Commission assesses a penalty of \$400 with \$300 suspended on the condition of no further**

**violations for four years and payment of the outstanding penalty and fee amount.**

The motion passed unanimously.

*Pat Davis, Case #06-279*

Senior Assistant Attorney General Linda Dalton summarized the case against Pat Davis for alleged violations during the 2001 campaign cycle of 1) RCW 42.17.080 and .090 by failing to timely file reports of contributions and expenditures; 2) RCW 42.17.125 by repaying candidate loans in excess of the allowable limit; and 3) RCW 42.17.105(8) by making a loan in excess of the allowable amounts during the 21 days before the election.

Ms. Dalton recommended that the alleged violation of RCW 42.17.105(8) be dismissed because the loan was not within the 21 day period.

**Motion 06-069**

Moved by Commissioner Brumsickle, seconded by Commissioner Noland:

**In PDC Case #06-279, Pat Davis, the Commission dismisses the alleged violation of 42.17.105(8).**

The motion passed unanimously.

Ms. Dalton read the Stipulations of Facts, Violations and Penalty into the record.

Suzanne Thomas, attorney for Pat Davis stated that the campaign treasurer had experienced some personal and professional difficulties which interfered with his ability to timely file. When Ms. Davis was made aware of those problems, she replaced the treasurer and took a more active part in future filings.

Ms. Thomas commented that Ms. Davis generally signed the reports in a timely fashion but that the reports were not submitted on time by the treasurer. Ms. Davis was aware that she had the ultimate responsibility for timely filing.

**Motion 06-070**

Moved by Commissioner Noland, seconded by Commissioner Schellberg:

**In PDC Case #06-279, Pat Davis, the Commission accepts the Stipulation of Facts, Violations and Penalty of \$7500 as well as repayment of \$6054 to the 2001 campaign.**

The motion passed unanimously.

## Report

*King Broadcasting Company d/b/a  
King 5 Television, Case #06-280*

Doug Ellis reported that a 45-day citizen action letter was filed with the Office of the Attorney General by Richard Shepard alleging that the King Broadcasting Company (KBC) violated RCW 42.17.640 by making in-kind contributions which exceeded the allowable contribution limits, specifically:

- KBC sponsored two gubernatorial debates in 2004 in which Ruth Bennett, the Libertarian candidate for governor, was not invited to participate. The candidates who participated, Dino Rossi, Ron Sims and Christine Gregoire, received a benefit of free air time constituting a contribution exceeding statutory contribution limits
- KBC conducted and reported the results of polling in 2004 in which Ruth Bennett was not included. The candidates who were included in the polling, Dino Rossi, Ron Sims and Christine Gregoire, received a benefit constituting a contribution exceeding statutory contribution limits.

Mr. Ellis summarized staff findings that the activity of KBC in inviting gubernatorial debate participants and in conducting polling for broadcast *in a regularly scheduled news medium that is of primary interest to the general public* does not constitute a contribution under RCW 42.17.020(14)(b)(vi). Therefore, staff urges the Commission to recommend to the Attorney General's Office that no further action is warranted.

## Motion 06-071

Moved by Commissioner Brumsickle, seconded by Commissioner Noland:

**In PDC Case #06-280, the Commission recommends the Office of the Attorney General take no further action on the 45-day citizen action letter alleging King Broadcasting Company violated RCW 42.17.640.**

The motion passed unanimously.

#### Staff Reports

Executive Director

Vicki Rippie reported that she has been meeting with each division within the agency to discuss their unique challenges and hear their concerns. She also noted that she has spoken with a representative with the Joint Legislative Audit and Review Committee (JLARC) about progress that has been made on the Online Reference Manual.

Assistant Director

Doug Ellis noted that he would be attending the upcoming COGEL Conference in Boston, MA with Commissioner Brumsickle and Michael Smith.

Chief Technology Officer

Michael Smith reported that the Online Reporting of Campaign Reports (ORCA) program is almost complete and he will be giving a brief ORCA demonstration at the COGEL conference.

Senior Counsel

Nancy Krier directed the Commission to her report for the status of current litigation. Linda Dalton reported that the Commission's decisions in the Nusbaum and Herbert cases were affirmed in King County Superior Court.

#### Adjournment

Chair Tilly adjourned the meeting at 3:10 p.m. The next meeting is scheduled for Monday, January 23, 2006.

Approved by the Commission 1/23/06